

RETIREMENT REPORT

Denver Public Schools | 403(b) and 457 Retirement Plans



Summer 2021

Grow Your Financial Garden

Cultivating a realistic budget can help you harvest a better financial future

Spring is here and it's time to think about growth potential—for both your garden and your journey toward financial wellness! The following steps can help you cultivate a budget that works for your life, so you don't have to worry about falling short of your financial goals.

Step 1: Sow Your Seeds

Take the time to think about your financial goals and actually write them down. Examples include building up an emergency fund, saving for a new car or home, starting a college education fund for a child, or increasing your retirement savings by 1% a year. Make sure the goals are measurable and include actual dollar amounts and time frames. Here are some examples of measurable financial goals:

- Have a \$1,000 emergency fund built up in 10 months.
- Pay off \$5,000 credit card debt in 18 months.
- Increase the retirement plan contribution rate by 1% by May 31, 2021.
- Open a 529 college savings account with an automatic monthly contribution of \$50 by December 31, 2021.

Divide the dollar amount by the number of months in your time frame to figure out your monthly goal. If your goal is to build up a \$1,000 emergency fund in 10 months, your monthly goals is \$1,000 divided by 10, which equals a \$100 monthly contribution.

Step 2: Water Regularly

Before you can establish a budget, you have to know exactly how much money you have coming in every month from your employer and other sources. Make sure to include only the money you actually receive (the exact amount of your net paycheck, not your gross pay before taxes and other deductions).

Step 3: Establish Weed Control

You can't budget until you know how much money you're spending each month. When figuring out your monthly expense number, be sure to include the following major spending categories:

- Groceries
- Rent or mortgage
- Car loan payment
- Student loan payment
- Credit card payment(s)



Also remember to include occasional expenses, such as doctor and dentist visits and veterinary/pet expenditures (if applicable), as well as car and other insurance payments. It's also important to look through past bank and credit card statements to get a realistic picture of your spending.

Step 4: Check Your Soil Quality

To take your first stab at a budget, add your monthly expenses from Step 3 to the monthly goals you calculated in Step 1. Then, subtract that total from your monthly income calculated in Step 2. If the balance is positive, you've created a budget that works for your current lifestyle. Here's an example:

Sample Budget

Monthly income (from Step 2) \$3,000
Monthly living expenses (from Step 3) (\$2,100)
Monthly financial goals (from Step 1) (\$750)
Total left over \$150

If the balance is negative, you have some more work to do. That leads us to Step 5.

Step 5: Add Compost if Necessary

If the first swipe at your budget came out negative, rework the numbers and try again. For example, you can revisit expenses and decide which ones are top priority and need to stay in your budget and which you can do without. You can also consider changing the amount of time needed to meet your financial goals. Or you can figure out a way to increase your income.

Sources: greatist.com; greenamerica.org; thesimpledollar.com; kmotion.com.

Retirement in Motion

TIPS AND RESOURCES THAT EVERYONE CAN USE

Knowledge is retirement power

According to the latest Fidelity Retiree Health Care Cost Estimate (2020), an average retired couple age 65 may need approximately \$295,000 saved (after tax) to cover health care expenses in retirement. Of course, the amount you'll need will depend on when and where you retire, how healthy you are, and how long you live. Whether retirement is a long way off for you, or it's starting to get closer, it's a smart move to start planning for healthcare costs. The AARP Health Care Costs Calculator (www.aarp.org) is an educational tool designed to help you estimate your health care costs in retirement. You can include a spouse or partner in the calculation as well.

Q&A

How do I establish an emergency fund?

It's important to have an easily accessible emergency fund available for when something unexpected comes up, such as a car, refrigerator or dishwasher breaking down. Here are the key features of an emergency fund:

- Aim to have 3-6 months of living expenses saved
- Keep separate from your checking account
- No (or low) transaction fees; no penalties for withdrawals
- Interest earnings on the balance (a little something is better than nothing).

Quarterly reminder

Are you expecting a tax refund this year? If so, consider creating an emergency fund with some or all of it (or adding to your

existing emergency fund). Seriously, just open up an account and transfer the refund money into it (see Q&A for more details). You'll be glad you did.

Tools & techniques

According to the 2020 Retirement Confidence Survey, half of workers (48%) have tried to calculate how much money they will need to live comfortably in retirement. It's always a good idea to get a ballpark estimate each year to see where you are at. Your retirement plan recordkeeper will likely have calculators available on their website. You can also check out the AARP Retirement Calculator at: www.aarp.org. In addition, you can access a number of comprehensive retirement planning calculators at smartasset.com/retirement. The annual Retirement Confidence Survey is conducted by the Employee Benefit Research Institute and independent research firm Greenwald & Associates.

Corner on the market

Basic financial terms to know

Sustainable investing

Sustainable investing is an investment discipline that considers environmental, social and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact. Examples of ESG criteria used by sustainable investors include workplace diversity, board diversity, community development, use of clean technology and corporate political contributions.

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Past performance is no guarantee of future results. Investing involves the risk of loss.

This document may contain returns and valuations from outside sources. While the information contained herein is believed to be true and accurate, Innovest assumes no responsibility for the accuracy of these valuations or return methodologies.

Whom do I call for help?

Account Information

Balances • Investment changes • Personal info

Contact: **AIG**

800.448.2542

www.aigrs.com

Plan's Investment Consultant

Innovest Portfolio Solutions

4643 S. Ulster St., Suite 1040

Denver, CO 80237

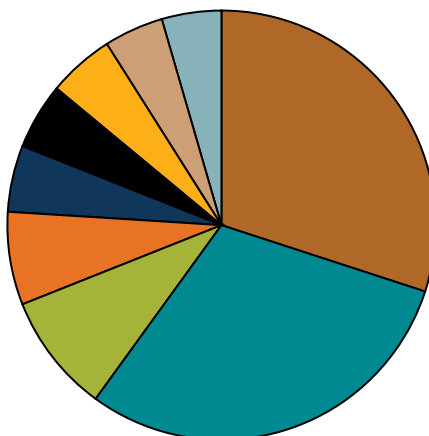
303.694.1900 | www.innovestinc.com

Who typically uses this portfolio?

Current Age: Over 60
Risk Level: Low
Expected Return: Low
Time Horizon:
Years to Age 65: Under 5
Years to Age 85: Under 25

Portfolio Allocation (%)

Dodge & Cox Stock (DODGX)	4.5
Vanguard 500 Idx;Adm (VFIAX)	9.0
T Rowe Price BC Gro;l (TBCIX)	4.5
Vanguard S-C Id;Adm (VSMAX)	7.0
Oakmark Internatl;Inst (OANIX)	5.0
Vanguard Tot I S;Adm (VTIAX)	5.0
Vanguard Intl Gro;Adm (VWILX)	5.0
MetWest:Total Rtn;Plan (MWT SX)	30.0
Vanguard Tot Bd;Adm (VBT LX)	30.0



Expense Ratio (%) 0.25

Past Performance (%)*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Denver Public Schools Conservative Portfolio	4.11	4.79	17.97	9.89	9.29	N/A

Understanding The Conservative Portfolio

Who typically uses this portfolio?

Current Age: The age (today) of an average investor with time horizon, risk level, and return expectations of the Conservative Portfolio.

Time Horizon: Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

Risk Level: The amount of expected risk in the Conservative Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Conservative Portfolio, and is calculated via a statistical process consistent with 95% probability.

Low: -11% to -16%

Expected Return: The level of expected investment return from the Conservative Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

Low: 2% to 4%

Past Performance

Investment performance results shown above represent past performance and are not indicative of future results. Please read the information contained in the applicable fund prospectuses carefully before investing money.

How is the portfolio diversified?

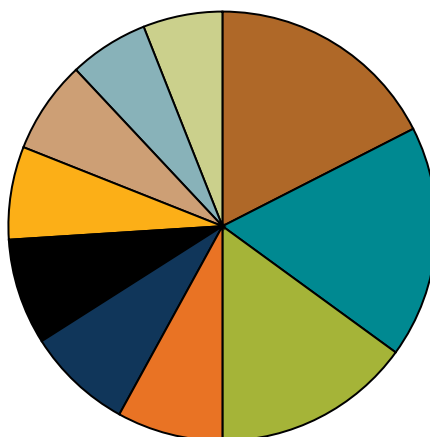
The pie chart and accompanying data shown for each portfolio illustrates the percentage allocated to each fund.

*Innovest relies on 3rd party data for these returns. Periods greater than one year are annualized. Different share classes are used for the T. Rowe Price Blue Chip Growth and Oakmark International funds in order to show longer performance history for the total portfolio allocation.

Who typically uses this portfolio?

Current Age:	40 - 60
Risk Level:	Moderate
Expected Return:	Moderate
Time Horizon:	
Years to Age 65:	5 - 25
Years to Age 85:	25 - 45
Expense Ratio (%)	0.26

Portfolio Allocation (%)



Dodge & Cox Stock (DODGX)	7.0
Vanguard 500 Idx;Adm (VFIAX)	15.0
T Rowe Price BC Gro;l (TBCIX)	7.0
Vanguard Md-Cp I;Adm (VIMAX)	6.0
Vanguard S-C Id;Adm (VSMAX)	6.0
Oakmark Internat;l;Inst (OANIX)	8.0
Vanguard Tot I S;Adm (VTIAX)	8.0
Vanguard Intl Gro;Adm (VWILX)	8.0
MetWest:Total Rtn;Plan (MWTXSX)	17.5
Vanguard Tot Bd;Adm (VBTLX)	17.5

Past Performance (%)*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Denver Public Schools Moderate Portfolio	5.59	8.69	29.39	13.04	12.79	N/A

Understanding The Moderate Portfolio

Who typically uses this portfolio?

Current Age: : The age (today) of an average investor with time horizon, risk level, and return expectation of the Moderate Portfolio.

Time Horizon: Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

Risk Level: The amount of expected risk in the Moderate Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Moderate Portfolio, and is calculated via a statistical process consistent with 95% probability.

Moderate: -18% to -26%

Expected Return: The level of expected investment return from the Moderate Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

Moderate: 3.5% to 5.5%

Past Performance

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How is the portfolio diversified?

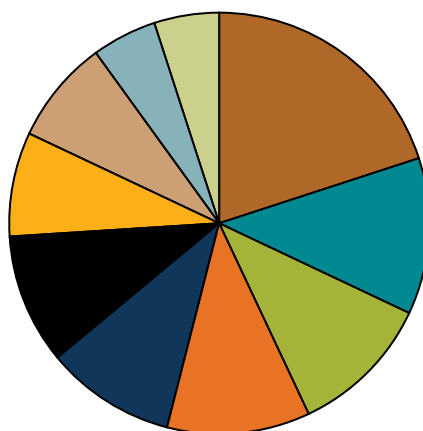
The pie chart and accompanying data shown for each portfolio illustrates the percentage allocated to each fund.

*Innovest relies on 3rd party data for these returns. Periods greater than one year are annualized. Different share classes are used for the T. Rowe Price Blue Chip Growth and Oakmark International funds in order to show longer performance history for the total portfolio allocation.

Who typically uses this portfolio?

Current Age:	30 - 50
Risk Level:	High
Expected Return:	High
Time Horizon:	
Years to Age 65:	15 - 35
Years to Age 85:	35 - 55
Expense Ratio (%)	0.28

Portfolio Allocation (%)



■ Dodge & Cox Stock (DODGX)	10.0
■ Vanguard 500 Idx;Adm (VFIAX)	20.0
■ T Rowe Price BC Gro;l (TBCIX)	10.0
■ Vanguard Md-Cp I;Adm (VIMAX)	8.0
■ Vanguard S-C Id;Adm (VSMAX)	8.0
■ Oakmark Internat;l;Inst (OANIX)	11.0
■ Vanguard Tot I S;Adm (VTIAX)	12.0
■ Vanguard Intl Gro;Adm (VWILX)	11.0
■ MetWest:Total Rtn;Plan (MWTSX)	5.0
■ Vanguard Tot Bd;Adm (VBTLX)	5.0

Past Performance (%)*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Denver Public Schools Aggressive Portfolio	7.01	12.67	41.84	15.32	16.67	N/A

Understanding The Aggressive Portfolio

Who typically uses this portfolio?

Current Age: : The age (today) of an average investor with time horizon, risk level, and return expectation of the Aggressive Portfolio.

Time Horizon: Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

Risk Level: The amount of expected risk in the Aggressive Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Aggressive Portfolio, and is calculated via a statistical process consistent with 95% probability.

High: **-25% to -34%**

Expected Return: The level of expected investment return from the Aggressive Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

High: **5% to 7%**

Past Performance

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How is the portfolio diversified?

The pie chart and accompanying data shown for each portfolio illustrates the percentage allocated to each fund.

*Innovest relies on 3rd party data for these returns. Periods greater than one year are annualized. Different share classes are used for the T. Rowe Price Blue Chip Growth and Oakmark International funds in order to show longer performance history for the total portfolio allocation.

Comparison of Plan Expenses for the Denver Public Schools Retirement Plans

Plan Expenses - Expenses for your retirement plan include investment record-keeping (accounting and reporting), customer service, participant education, trust and custody. The table below provides a comparison between annual plan expenses for the average 401(k) retirement plan (as a percentage of assets) and the actual expenses for the DPS Retirement Plan. Source: 401(k) Source Data.

Average 401(k) Plan Expenses

0.99%

Denver Public Schools Plan Expense Estimate

0.44%

Your retirement plan offers many different mutual fund investment options that cover a broad range of risk and investment opportunities. Each fund charges fees for management and operating expenses. These fees are referred to as the expense ratio. This is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The table below provides a comparison between the median category expense ratio and the actual expense ratio of funds offered through the DPS Retirement Plan. Source: Innovest Portfolio Solutions LLC.

DPS 403b and 457 Plans Fund Name	Fund Objective/Category	Ticker	Category Median Expense Ratio	Category Annual Expense For Each \$1,000	Mutual Fund Expense Ratio	Mutual Fund Annual Expense For Each \$1,000
Dodge & Cox Stock	Lg Cap Value	DODGX	0.87%	\$ 8.70	0.52%	\$ 5.20
Vanguard 500 Index Admiral	Lg Cap Core	VFIAX	0.30%	\$ 3.00	0.04%	\$ 0.40
T. Rowe Price Blue Chip Growth I	Lg Cap Growth	TBCIX	0.90%	\$ 9.00	0.56%	\$ 5.60
Vanguard Selected Value Inv	Mid Cap Value	VASVX	0.92%	\$ 9.20	0.31%	\$ 3.10
Vanguard Mid Cap Index Admiral	Mid Cap Broad	VIMAX	1.03%	\$ 10.30	0.05%	\$ 0.50
Hartford MidCap Y	Mid Cap Growth	HMDYX	1.05%	\$ 10.50	0.79%	\$ 7.90
Boston Partners Small Cap Value II I	Sm Cap Value	BPSIX	1.12%	\$ 11.20	0.99%	\$ 9.90
Vanguard Small Cap Index Adm	Sm Cap Core	VSMAX	1.08%	\$ 10.80	0.05%	\$ 0.50
Brown Advisory Small-Cap Growth Inst	Sm Cap Growth	BAFSX	1.16%	\$ 11.60	0.99%	\$ 9.90
Oakmark International Institutional	International Lg Cap Value	OANIX	0.98%	\$ 9.80	0.78%	\$ 7.80
Vanguard Total Intl Stock Index Admiral	International Lg Cap Core	VTIAX	0.90%	\$ 9.00	0.11%	\$ 1.10
Vanguard International Growth Adm	International Lg Cap Growth	VWILX	1.04%	\$ 10.40	0.33%	\$ 3.30
Metropolitan West Total Return Bd Plan	General Fixed Income	MWTSX	0.57%	\$ 5.70	0.38%	\$ 3.80
Vanguard Total Bond Market Index Adm	General Fixed Income	VBTLX	0.57%	\$ 5.70	0.05%	\$ 0.50
VALIC Fixed Interest	Fixed Interest	N/A	0.73%	\$ 7.30	0.00%	\$ -
Vanguard Instl Trgt Retire Inc Instl	Target Date	VITRX	0.62%	\$ 6.20	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2015 Instl	Target Date 2015	VITVX	0.56%	\$ 5.60	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2020 Instl	Target Date 2020	VITWX	0.65%	\$ 6.50	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2025 Instl	Target Date 2025	VRIVX	0.65%	\$ 6.50	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2030 Instl	Target Date 2030	VTTWX	0.68%	\$ 6.80	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2035 Instl	Target Date 2035	VITFX	0.66%	\$ 6.60	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2040 Instl	Target Date 2040	VIRSX	0.69%	\$ 6.90	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2045 Instl	Target Date 2045	VITLX	0.68%	\$ 6.80	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2050 Instl	Target Date 2050	VTRLX	0.70%	\$ 7.00	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2055 Instl	Target Date 2055	VIVLX	0.68%	\$ 6.80	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2060 Instl	Target Date 2060	VILVX	0.68%	\$ 6.80	0.09%	\$ 0.90
Vanguard Instl Trgt Retire 2065 Instl	Target Date 2060	VSXFX	0.68%	\$ 6.80	0.09%	\$ 0.90

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